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Philippines earthquake, Noida fire. Is your home insured for what you think it is?



At least 37 people were killed in the Philippines after a powerful 7.8-magnitude earthquake struck on Monday. The quake caused several small buildings to collapse and triggered minor tsunamis along the southern Philippine coast. Smaller waves were also detected in Indonesia, Palau, and as far away as southern Japan.

Closer to home, last week, a massive fire broke out on the 12th floor of a high-rise apartment at Ivy County in Sector 74, Noida. The blaze, reported around 7 am, led to the deployment of multiple fire tenders and the evacuation of residents from nearby flats. Days earlier, a fire at a hotel in Delhi's Malviya Nagar had raised similar concerns about fire safety and the financial consequences of such incidents.

The recent fire and earthquake incidents have brought the importance of protecting homes and household assets against unforeseen disasters into sharp focus.

While most discussions after such incidents focus on rescue operations and safety measures, experts say homeowners should also pay attention to another crucial aspect , which is insurance protection.

Does a home loan cover earthquake and fire incidences?

Many homeowners assume that if they have taken a home loan, their property is adequately insured against fire, earthquake and other risks. While there is some truth to this, the coverage may not always be comprehensive.

"Most banks or financial institutions attach a home insurance policy to the home loan, as they also have an insurable interest in the property and aim to protect the borrower from unforeseen events including fire and Act of God perils," said Gurdeep Singh Batra, Head – Commercial Underwriting, Risk Engineering & Global Accounts, Bajaj Allianz General Insurance.

According to Batra, any damage to the home impacts not only the borrower but also the lender, since the borrower may lose the property while still remaining liable for the loan. To reduce this risk, lenders generally

arrange fire insurance coverage. However, he cautioned that homeowners should not rely solely on the insurance linked to the home loan.

Fire insurance or comprehensive home insurance?

Experts believe a standalone fire policy may not always be sufficient, particularly as the value of household contents often runs into several lakhs of rupees.

"It is practical and recommended to opt for a comprehensive home insurance plan from day one, as both the structure and the contents of a home represent significant financial exposure and emotional value," said Batra. The Insurance Regulatory and Development Authority of India (IRDAI) has introduced standard products such as Bharat Griha Raksha, which cover both the structure and household contents against a range of risks.

"It is advisable for homeowners to opt for a comprehensive plan such as Bharat Griha Raksha, which provides broader protection beyond fire and ensures greater financial security. The fire insurance policy linked to the loan may not be as extensive," Batra said.

Home contents such as furniture, electronic appliances, jewellery, artwork and other valuables can suffer substantial damage in a fire. In many cases, the value of these contents may be higher than what homeowners realise.

Covering both the building structure and its contents helps eliminate gaps in protection and ensures that the insurance reflects the true replacement value of the property.

What does home insurance cover?

Fire is an insured event under most home insurance policies, provided the incident is accidental in nature.

Coverage generally extends beyond fire and may include risks such as lightning, floods, storms, earthquakes and other natural disasters. Policies may also cover theft, riots, malicious damage and accidental losses depending on the plan selected.

"In addition to structural protection, policies may also cover household contents such as jewellery, electronics, furniture and artwork," said Batra.

Some insurers also offer benefits such as temporary accommodation expenses if the house becomes uninhabitable after a fire. Certain policies may compensate for loss of rent income as well.

However, homeowners should be aware of exclusions. Deliberate damage, normal wear and tear and losses that fall outside the policy terms are generally not covered unless specific add-ons are purchased.

How much cover should you buy?

One reason many homeowners remain uninsured is the perception that home insurance is expensive. Experts say that is often not the case.

Premiums are generally affordable and can start from around Rs 10 per lakh of coverage, although the actual cost depends on the insurer, the property's location, the sum insured and the extent of coverage selected.

When deciding the sum insured, homeowners should consider both the reconstruction cost of the property and the replacement value of household contents.

As recent fires in Noida and Delhi demonstrate, a single incident can result in significant financial losses. While no insurance policy can prevent a fire, adequate coverage can help families recover financially and rebuild their lives with far less disruption.